GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:3268
ANSWERED ON:21.03.2007
RURAL AREA ASSISTANCE FUND
Singh Shri Uday

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether there is any proposal to set up a rural area assistance fund for providing employment assistance to backward districts in the country;

(b) if so, the details thereof;

(c) the employment opportunities likely to be generated as a result thereof; and

(d) the other benefits likely to be accurred to the backward districts?

Answer

MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (d): A Backward Regions Grant Fund Programme (BRGF) which covers 250 districts has been launched by the Prime Minister on 19th February, 2007 at Barpeta in Assam. This will contribute to accelerating rural development and rural employment, as well as narrowing the gap between backward and more advanced areas of the country. The programme consists of two funding windows namely, (a) a capability Building Fund of Rs. 250 crore per annum and (b) a substantially untied developmental grant of Rs. 3500 crore for 2006-07.

Every district is to receive a fixed minimum amount of Rs. 10 crore per annum under the programme. 50% of the balance allocation under this programme is allocated on the basis of the share of the population and area of the district in the total population and area of all backward districts. The developmental fund under the programme can be used for filling the critical gaps in development which remain despite other major interventions. Panchayats and Urban Local Bodies may use these funds for any purpose within the items that are devolved to them as listed in the Eleventh and Twelfth schedule of the Constitution respectively.

The employment opportunity and other benefits accruing to backward districts would flow from the individual plans prepared by each district. However, each district is expected to undertake a diagnostic study of its backwardness and prepare a well conceived participative district development plan in accordance with its requirements.